

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE CASH MARKETS(05/21):**

BUTTER: Grade AA closed at \$1.3250. The weekly average for Grade AA is \$1.2483 (+.1300).

CHEESE: Barrels closed at \$1.1900 and blocks at \$1.2300. The weekly average for barrels is \$1.1800 (-.0090) and blocks, \$1.2090 (-.0120).

NONFAT DRY MILK: Extra Grade closed at \$1.0100 and Grade A at \$1.0500. The weekly average for Extra Grade is \$1.0120 (-.0030) and Grade A is \$1.0500 (N.C.).

BUTTER: The market tone is firm. Cash trading prices have increased sharply each of the past two weeks at the Chicago Mercantile Exchange. Producers and handlers have various opinions as to current market conditions. Buyers are also questioning if they should buy now or hope prices will edge lower before the milk flush is over. In most areas of the country, milk volumes are heavy and competition for cream is becoming more active between Class II and III operations. Butter stocks range from in balance to short of current needs. Due to increasing butter prices and cream demand, some butter operations are selling some of their cream supplies to other plants versus churning at this time.

CHEESE: The cheese market is unsettled. Cash prices on the Chicago Mercantile Exchange have rebounded from declines early in the week. Movement is relatively steady with recent weeks. Currently, orders needed for the Memorial Day weekend holiday are moving through the pipeline. Cheese production remains seasonally heavy, reflecting current milk intakes. Despite the tilt toward butter/powder over cheese, few operations have much extra capacity to shift supplies out of cheese production. Cheese yields are steady to lower.

FLUID MILK: Milk production patterns are continuing as the annual spring flush moves northward. Peak production levels are currently occurring in much of the middle section of the country. Further north, receipts continue to increase toward peak levels, expected within a month or so in the Northeast and Midwest. Farther West, intakes are stabilizing in California at around peak levels, and still advancing in the Northwest. Manufacturing plants continue to operate on extended schedules where receipts are steady to heavier. Plant capacity will likely be stretched as additional schools close for the summer and/or for the upcoming holiday weekend.

DRY PRODUCTS: The dry product markets in general remain in the

doldrums as increased production and light buying interest has kept inventories from declining for most producers. Most prices are little changed from recent weeks. Contacts believe that the recent allocation of DEIP nonfat volumes, both for the current DEIP year ending June 30 and next year, will likely only reduce the volume cleared to CCC, not strengthen the NDM market or prices.

CCC: During the week of May 17 - 21, CCC net purchases of NDM totaled 7,161,762 pounds from Western and Midwestern producers.

APRIL MILK PRODUCTION (USDA, NASS): Milk production in the 20 major states during April totaled 12.0 billion pounds, up 398 million pounds (3.4%) from production in these same states in April 1998. March revised production, at 12.2 billion pounds, was up 4.6% from March 1998. Production per cow in the 20 major states averaged 1,553 pounds for April, 52 pounds (3.5%) above April 1998. The number of cows on farms in the 20 major states was 7.71 million head, 1,000 head less than April 1998, but 4,000 head more than March 1999.

MARCH FLUID MILK SALES HIGHLIGHTS (USDA, AMS): During March, sales of fluid milk products in comparable Federal milk order marketing areas and California were 0.1% above the previous year and 0.9% above February 1999 on an adjusted daily average basis. Sales of whole milk items were 0.9% above the previous year; sales of fat-reduced milk items were 0.1% below the previous year. Total fluid milk sales were higher in the Southeastern, Midwest and Southwest regions, and lower in the Northeast and Far West regions. For the first quarter of 1999, sales are 0.5% above the same quarter last year. It is likely that the timing of the Easter holiday this year has had a negative impact on the change in sales from March 1999 compared to March 1998.

FEDERAL MILK ORDER MARKET SUMMARY (USDA, AMS): During April, about 7.5 billion pounds of milk were marketed under Federal orders. Producer deliveries were about 22.8% less than April 1998, and about 23.4% less than March 1999 on an estimated daily average basis. Milk utilized in Class I products in March was 3.3% more than last year on an adjusted basis. The average blend price was \$12.15, \$1.68 less than last year. Changes in class prices from year-earlier levels were: Class I, down \$3.05; Class II, down \$3.05; Class III, down \$0.20; and Class III-A, down \$1.83.

****SPECIALS THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY MAY 17	TUESDAY MAY 18	WEDNESDAY MAY 19	THURSDAY MAY 20	FRIDAY MAY 21	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.1750 (-.0050)	\$1.1775 (+.0025)	\$1.1775 (N.C.)	\$1.1800 (+.0025)	\$1.1900 (+.0100)	+.0100	\$1.1800 (-.0090)
40# BLOCKS	\$1.1925 (-.0125)	\$1.2050 (+.0125)	\$1.2050 (N.C.)	\$1.2125 (+.0075)	\$1.2300 (+.0175)	+.0250	\$1.2090 (-.0120)
NONFAT DRY MILK							
EXTRA GRADE	\$1.0150 (N.C.)	\$1.0150 (N.C.)	\$1.0100 (-.0050)	\$1.0100 (N.C.)	\$1.0100 (N.C.)	-.0050	\$1.0120 (-.0030)
GRADE A	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	N.C.	\$1.0500 (N.C.)
BUTTER							
GRADE AA	\$1.1925 (N.C.)	-----	\$1.2275 (+.0350)	-----	\$1.3250 (+.0975)	+.1325	\$1.2483 (+.1300)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

Trading Activity - May 17 - 21, 1999

MONDAY, MAY 17, 1999

CHEESE -- SALES: 2 CARS BARRELS @ \$1.1750; 1 CAR 40# BLOCKS @ \$1.1925; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 8 CARS BARRELS: 2 @ \$1.1750, 6 @ \$1.1800; 10 CARS 40# BLOCKS: 1 @ \$1.2025, 9 @ \$1.2050
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: NONE; BIDS UNFILLED: 8 CARS GRADE AA: 3 @ \$1.1900, 2 @ \$1.1300, 1 @ \$1.1025, 1 @ \$1.1000, 1 @ \$1.0500; OFFERS UNCOVERED: 5 CARS GRADE AA: 1 @ \$1.3000, 1 @ \$1.3500, 2 @ \$1.4000, 1 @ \$1.6900

TUESDAY, MAY 18, 1999

CHEESE -- SALES: 9 CARS BARRELS: 8 @ \$1.1750, 1 @ \$1.1775; 7 CARS 40# BLOCKS: 1 @ \$1.1900, 5 @ \$1.1925, 1 @ \$1.2025; BIDS UNFILLED: 2 CARS 40# BLOCKS: 1 @ \$1.2050, 1 @ \$1.1925; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1800
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, MAY 19, 1999

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS 40# BLOCKS @ \$1.2050
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR EXTRA GRADE @ \$1.0100
 BUTTER -- SALES: 20 CARS GRADE AA: 1 @ \$1.2500, 1 @ \$1.2475, 1 @ \$1.2450, 1 @ \$1.2475, 1 @ \$1.2500, 1 @ \$1.2475, 1 @ \$1.2500, 1 @ \$1.2475, 1 @ \$1.2500, 1 @ \$1.2475, 1 @ \$1.2425, 1 @ \$1.2400, 1 @ \$1.2375, 1 @ \$1.2350, 2 @ \$1.2325, 3 @ \$1.2300, 1 @ \$1.2275; BIDS UNFILLED: 11 CARS GRADE AA: 2 @ \$1.2250, 1 @ \$1.2200, 2 @ \$1.2000, 2 @ \$1.1950, 2 @ \$1.1925, 2 @ \$1.1900; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.2650

THURSDAY, MAY 20, 1999

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.2125; BIDS UNFILLED: 3 CARS BARRELS: 2 @ \$1.1800, 1 @ \$1.1775; OFFERS UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, MAY 21, 1999

CHEESE -- SALES: 1 CAR BARRELS @ \$1.1900; BIDS UNFILLED: 2 CARS 40# BLOCKS: 1 @ \$1.2300, 1 @ \$1.2225; OFFERS UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: 3 CARS GRADE AA: 2 @ \$1.2775, 1 @ \$1.2925; BIDS UNFILLED: 29 CARS GRADE AA: 1 @ \$1.3250, 1 @ \$1.3150, 1 @ \$1.3050, 1 @ \$1.3000, 1 @ \$1.2975, 1 @ \$1.2925, 1 @ \$1.2800, 2 @ \$1.2750, 1 @ \$1.2725, 2 @ \$1.2700, 1 @ \$1.2675, 2 @ \$1.2650, 1 @ \$1.2625, 2 @ \$1.2525, 3 @ \$1.2500, 2 @ \$1.2400, 2 @ \$1.2350, 2 @ \$1.2300, 2 @ \$1.2200; OFFERS UNCOVERED: 2 CARS GRADE AA: 1 @ \$1.3500, 1 @ \$1.4000

BUTTER MARKETS**NORTHEAST**

The market tone is firm, but unsettled. Prices have held steady or increased during each of the past 2+ weeks. Milk production continues to rise as evidenced by the recent April Milk Production report. More surplus milk is expected as the spring flush has yet to reach the Northeast and schools will soon be recessing for the summer. However, current cream demand is improving for Class II products and volumes available to butter makers have tightened. Some contacts wonder why prices at the CME jumped so sharply last week. Buyers are unsure how to proceed; do they buy now or hope prices will move lower before the flush is over? Contacts report that a lot of high-priced butter has already been stored and supplies of current production are barely sufficient to cover current demand. Suppliers are reluctant to sell the stored bulk butter at today's prices. Retail print butter demand is slow to fair and food service orders are steady to improved as seasonal outlets gear up for the Memorial Day weekend.

CENTRAL

Butter markets remain firm as the AA cash butter price at the Chicago Mercantile Exchange continues to increase. Producers and handlers have mixed opinions as to current market conditions. Some feel that prices will continue to firm while others question why prices are firm in light of heavy milk volumes. For the most part, stocks of butter are reported to be sufficient for current needs with additional volumes being put into inventory for future use. Orders, especially for print butter, are reported to be quite strong. Printers feel that

buyers are trying to stay ahead of further price increases. Also, butter producers feel that some buyers do not want to get caught in a situation like last fall when prices hit record high levels, thus buying earlier and holding stocks for future use.

WEST

Demand for bulk butter is excellent. Some buyers are not able to find desired volumes on a timely basis. Print orders are ahead of expectations for this time. Orders are being placed for the upcoming holiday weekend and for general summer resort needs. The magnitude of the price increase at the CME last Friday surprised many Western contacts. With milk production as strong as it is and with schools closing for the summer recess shortly, many feel that the market might actually soften before milk begins to decline seasonally. Milk production in the five Western states surveyed on a monthly basis ranges from +3.8% to +11.5%. No other region is even close to this much additional output. A number of butter plants are selling some of their cream receipts to other plants, mostly ice cream operations.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS,
TRUCKLOAD QUANTITIES.

DUE TO A LACK OF CONSENSUS ON THE PART OF PRODUCERS AND BUYERS ABOUT THE BASING POINT FOR BULK BUTTER SALES (PREVIOUS FRIDAY'S CLOSE, PREVIOUS WEEK'S AVERAGE, DATE OF SALE, DATE OF SHIPMENT, ETC.), DAIRY MARKET NEWS IS TEMPORARILY SUSPENDING THE REPORTING OF PREMIUMS OR DISCOUNTS.

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
MAY 15	1.2806 5,015,554	1.2109 10,284,706	1.0048 17,772,525	1.0518 3,517,717	0.1718 6,353,441

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices for natural cheddar and process items are lower for the third consecutive week. Swiss is unchanged. The market tone is relatively weak as contacts wonder how far this current price slide will go. Most distributors and users are buying only for immediate or weekly needs. Demand for mozzarella is holding up quite well for most Eastern producers. Cheddar sales are slow to fair and producers are putting as much as they can into aging programs while prices are relatively low. Cheese production is moderate to heavy as milk supplies increase along seasonal patterns. Retail demand is slow to fair, but orders are starting to pick up as outlets stock up for June Dairy Month promotions. Food service orders are also improving in resort areas where restaurants and other fast food outlets prepare for Memorial Day, the unofficial beginning of summer.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.2200-1.7075
Cheddar Single Daisies	:	1.1925-1.7075
Cheddar 40# Block	:	1.3625-1.5075
Process 5# Loaf	:	1.3850-1.5350
Process 5# Sliced	:	1.4050-1.6650
Muenster	:	1.4000-1.7025
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled to weak. Current cheese offerings remain seasonally heavy. The uneven price movement in cash cheese trading at the Chicago Mercantile Exchange (down and back up) early in the week has traders wondering about market direction, if any, or potential for near term stability. Cheese volumes marketed are relatively steady as business is unchanged with recent weeks. Process movement remains somewhat disappointing seasonally for most processors, except where food service promotions are underway or being prepared. The few remaining producers of small styles, daisies, midgets, etc. are having difficulty in keeping up with orders. A few plants in the eastern portion of the region are having difficulty in filling orders, due to limited surplus milk supplies. Cheese production remains seasonally heavy as most plants are at or very near capacity. The tilt (relative returns) is toward butter/powder over cheese, but few if any operations have the plant capacity to switch milk supplies around. Cheese yields continue to drift lower seasonally.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.3700-1.6200
Brick And/Or Muenster 5#	:	1.6200-1.6900
Cheddar 40# Block	:	1.4825-2.1150
Monterey Jack 10#	:	1.6725-2.1150
Blue 5#	:	1.8175-2.2000
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5500-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.3400-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	MAY 17 - 21, 1999
BARRELS*	:	\$1.1800 - 1.2050 (NOMINAL)
	:	(-\$.0100) (-.0100)
40# BLOCKS	:	\$1.1825 - 1.2550 (NOMINAL)
	:	(-\$.0350) (-.0050)

() Change from previous week. * If steel, barrel returned.

WEST

Natural and process prices continue to falter with Swiss holding steady. Many contacts are saying that there is an awful lot of cheese out there. Demand remains good, but offerings are having a hard time clearing in an orderly fashion. Quite a bit of cheese has gone and is going into aging programs at this time. Demand for processing solids is good and is expected to increase over the next few weeks. Swiss production is increasing and stocks are in good shape. Demand for mozzarella from Eastern buyers remains very strong. Many Western contacts are wondering if the market has reached bottom around the \$1.20 mark at the CME. Some seasonal promotions are moving good volumes of natural cheese at this time.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.3425-1.5975
Cheddar 40# Block	:	1.3425-1.4825
Cheddar 10# Cuts	:	1.5325-1.7425
Monterey Jack 10#	:	1.5525-1.7050
Grade A Swiss Cuts 6 - 9#	:	2.2900-2.4200

FOREIGN TYPE CHEESE

Prices are steady on imported styles and generally lower on domestically produced types. Demand is slow to fair and typical for this time of year. Supplies for most types are adequate for current needs.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.5550-2.1650*
Gorgonzola	: 3.2400-5.9400	: 2.2100-2.4900*
Parmesan (Italy)	: TFEWR	: 2.9650-2.9950*
Romano (Italy)	: 2.1000-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.5550-1.8400*
Romano (Cows Milk)	: -0-	: 2.7350-4.9650*
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE

	:	
05/17/99	18,567	: 118,667
05/01/99	17,142	: 115,299
CHANGE	1,425	: 3,368
% CHANGE	8	: 3

FLUID MILK AND CREAM

E A S T

Northeastern Milk Market Administrators announced April 1999 uniform (blend) prices: Federal Order (F.O.) 1 is \$11.76; F.O. 2, \$11.78; F.O. 4, \$12.04; F.O. 36, \$11.93; and Western NY Milk Market Area, \$11.77. During April, milk production in the 20 major states totaled 12.0 billion pounds, up 3.4% from April 1998. The following are the April to April changes for selected states: Kentucky -8.8%, Virginia -3.6%, Texas -1.3%, Pennsylvania -0.5%, New York +2.1%, Vermont +2.6%, and Florida +6.3%. Milk production is steady to lower in the East as the spring flush has been reached in most areas south of the Mason-Dixon Line. Florida's milk flow is slowly moving lower as the weather has been relatively mild. Output in other Southeastern states is also edging lower with the most noticeable drops in Louisiana, Mississippi, and Georgia. In the Middle Atlantic area, milk production is steady to slightly lower as the peak has been reached and holding. In New England and New York, the milk flow is fairly steady, but contacts feel that this week's rain could spur grass/alfalfa growth which should push milk to its peak. Fluid milk supplies are tighter in most areas, but still more than ample for a steady, slow to fair demand. Florida handlers have scheduled to ship 28 loads of milk out of state for manufacturing. This compares to 70 loads during the same week last year. (The year ago figure marked the last week that milk was shipped out of state until the year-end holidays.) Manufacturing plants are running on slightly reduced schedules in the Southeast and Middle Atlantic areas, but still quite full in the more northern areas. Condensed skim prices are steady to lower and the market tone is steady. Demand for Class II wet solids is fairly good particularly for product priced at the lower end of the price range. Sales of Class III condensed skim is also quite good and some loads are moving out of region to cheese makers in the Midwest. The decent demand for wet solids is helping ease the pressure on dryers. The fluid cream market is firmer and prices are moving higher. Fluid cream supplies are tight and multiples used to determine spot prices have moved higher. Bottling is mixed, but seasonally fair to good. Ice cream production is improving along seasonal patterns, but recent price increases are a concern to some producers. Churning activity is lighter as the good demand for cream is cutting into the available supplies that had been available to butter makers.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.4314-1.5433
Delivered Equivalent Atlanta	-	1.4091-1.5656 M 1.4538-1.4985
F.O.B. Producing Plants: Upper Midwest	-	1.5264-1.5321

PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	.9000 - 1.2000
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M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
MAY 14 - 20, 1999	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1998	0

Class I demand is steady to typically lighter than recent weeks except where some retail feature activity is occurring. Most colleges are already out for the summer with many local school districts (K - 12) still open into early June. Even with the tilt (returns from manufactured products sales) toward butter/powder over cheese/whey, few, if any, operations have the excess capacity to switch milk volumes. Cream demand has warmed up with the weather from ice cream accounts. Seasonally good interest is noted from cream cheese and whipped cream users and dips being prepared for holiday/graduation activities. Cream multiples are increasing as have cash butter prices on the Chicago Mercantile Exchange. Cottage cheese sales are about steady. Surplus milk volumes were lighter and some price disparity pattern is again showing up. Weekend prices were reported from \$1.00 to \$.50 under class and prices during the week from \$0.25 under to 0.25 over class/MCP. Handlers are trying to

remind buyers of the upcoming Memorial Day holiday and that they should secure manufacturing space for holiday diversions early before plants completely fill up. Milk production is showing increased signs of the usual spring advances in milk receipts with some noticeable week to week changes occurring in some upper Midwestern plants. The initial estimated April milk production in selected Midwestern states compared with April 1998 is: Wisconsin 1.959 billion pounds, up 51 million pounds (2.7%); Minnesota 815 million pounds, an increase of 19 million pounds (2.4%); Michigan 453 million pounds, up 7 million pounds (1.6%), and Iowa 323 million pounds, off 4 million pounds (1.2%). Rain has stopped fieldwork through much of the region and a number of flooded out spots are showing.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MAY 13 - 19	PREVIOUS YEAR
SLAUGHTER COWS	\$ 35.00- 40.50	\$ 36.00- 41.00
REPLACEMENT HEIFER CALVES	\$180.00-265.00	\$120.00-155.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	MAY 13 - 19	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.00- 43.25	\$ 36.00- 41.25

W E S T

U.S. milk production in the 20 states surveyed totaled 12.0 billion pounds in April, 3.4% higher than April 1998. March 1999 production was revised higher to 4.6% above 1998 levels. Cow numbers in April were 7.712 million head, down 1,000 head from a year ago. Milk per cow was 3.5% higher. April output in the five Western states surveyed compared to 1998 is: Arizona, +11.4%; California, +11.5%; Idaho, +8.1%; New Mexico, +8.1%; and Washington, +3.8%. The year to year increase in milk production for California during April (265 million pounds) would rank as the 14th highest production among the surveyed states, falling between Arizona and Florida. Milk production remains strong in the Southwest. There was little surprise following the release of the April milk numbers and most contacts are seeing similar levels versus a year ago into May. Temperatures are warming during the day in southern California and Arizona. Nighttime temperatures are dropping, allowing for better cow comfort. Biting flies are said to be starting in southern California. Milk output is noted to have leveled off in the interim, which may be signaling the seasonal peak. The concern is that weather patterns are not sustained and the return of cooler weather could see milk increase. Feed remains plentiful and affordable. Growing and drying conditions are favorable for good quality alfalfa. Cream supplies are noted to be tighter and multiples increasing, even with the butter price higher at the CME. Offerings are clearing to churns. Demand from ice cream producers is a little better, but expected to take off when lower June/July class prices are in effect for California. Milk production continues to increase along seasonal lines in the Pacific Northwest. Conditions have been cooler than normal, but that is generally seen as a positive for additional milk production. Temperatures should reach seasonal levels this weekend and a drying spell is covering most of the region. These conditions should allow pasture yields to improve and for corn for silage to be planted. Production per cow remains very strong. Heifer prices are mixed, but generally higher than most contacts believed would be the case with the milk price decline that has occurred. Culling rates remain below average. Producers continue to take advantage of very reasonably priced grains and protein sources. Alfalfa cutting is about two weeks behind normal over most of the region. Producers are having to buy additional old crop hay that they had not planned on doing. The quality of these purchases is generally high end feeder hay at best. Yields on new crop hay are expected to be lighter than normal. The recent wet weather has not done much to reduce the quality on the incoming milk receipts. Fat and protein tests are normal. Conditions are beginning to warm up in the northern Mountain States also. Hay cutting is weeks off in most areas of the region. It snowed again in the valley floors this past weekend. Crops are getting in the ground very late and some are being replanted because of poor germination or other problems. Milk receipts are increasing more rapidly again.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 05/20/99 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged on a weak market. Buyers continue to purchase on an as need basis. Offerings have been noted below the range. Nonfat is available to the feed industry at attractive prices. Midwest producers are again offering nonfat to the government. Contacts are not very optimistic over the new DEIP allocations as there is plenty of product available. Inventories are ample and building. Continued increases in the milk supply allow for heavy production of nonfat.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0075 - 1.0375 MOSTLY: 1.0100 - 1.0150

DRY BUTTERMILK - CENTRAL

Prices are unchanged on a weak market. Condensed product is still readily available to ice cream producers which is decreasing interest in more expensive dry buttermilk. Inventories are adequate to ample. Manufacturers are comfortable in holding product and see no need to discount. Some buyers are surprised that buttermilk is not moving better since it is nearly 30 cents lower than nonfat. Demand is anticipated to remain light until ice cream production is in full swing.

BUTTERMILK: .6800 - .7400

DRY WHEY - CENTRAL

Prices are mostly unchanged on a weak market. After clearing inventories at the lower end of the range, some producers are in a better position. Export movement has also increased allowing more stability to the market. Overall demand still remains slow. Some producers are offering above the market but traders do not seem interested. Condensed product is readily available at attractive prices. Producers with contracts are in the best position. Multiple loads are being offered at a discount. Many contacts await the spring flush and school breaks to see where the market will settle.

NONHYGROSCOPIC: .1450 - .1850 MOSTLY: .1675 - .1775

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged on animal feed items. The market tone is weak. Movement is minimal with plenty of off-grade and defective product available for the lackluster demand. Some manufacturers are hesitant to sell at the lower end of the range and prefer to hold their inventories. Stocks are adequate and building. Year to date slaughter on calves is down 12.5% compared to last year. The undertone on veal is unsettled.

MILK REPLACER: .1300 - .1675
STANDARD: TFEWR
ROLLER GROUND: .1675 - .1825
DELACTOSE (Min. 20% protein): .2600 - .3150

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a steady to fully steady market. Trade is occurring less often at the lower end of the range with most prices appearing at the average. Supply is adequate to tight. Some manufacturers cannot fill random spot interest. Movement continues good into edible, feed, domestic, and export channels. Producers with contracts remain in the best position. Most plants are operating at capacity levels.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1500 - .2050 MOSTLY: .1600 - .1700

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are mixed and the market tone is weak. Supplies of condensed WPC are less available compared to last week. An increase in movement to the feed industry has also created some stability to the market. Discounts are less notable with some reported movement into ice cream production. Manufacturers running a little long on stocks feel comfortable in holding product rather than reducing their price. Demand is no better than fair. Traders show a lack of interest in moving WPC. Inventories are mostly in balance with current buyer interest.

EXTRA GRADE 34% PROTEIN: .4000 - .4800 MOSTLY: .4500 - .4700

NONFAT DRY MILK - WEST

Nonfat dry milk prices are mixed. The low/medium heat range is higher on the bottom end, reflecting the end of discounted product sales. Offerings are plentiful from producers and resellers in the region. The USDA announced on May 13, that an additional 45,177 MT of NDM are available for export under DEIP. Since then, around 2,250 MT have been allocated and contacts are negotiating for additional sales. There is little talk that the DEIP sales will strengthen the NDM market. However, most in the trade see the positive effect of NDM not going to support program, but being exported. Production levels remain active in the region to process milk. The high throughput is limiting high heat production and sporadically limiting availability. During the week of May 10 - 14, CCC net purchases totaled 7,855,155 pounds of NDM.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9700 - 1.0400 MOSTLY: .9700 - 1.0100
HIGH HEAT: 1.0200 - 1.0400

DRY BUTTERMILK - WEST

Buttermilk prices are unchanged, but the market tone remains weak. Offerings are available from most outlets in the region and the majority of transactions are at the bottom end of the range. Drying schedules remain active, although some contacts were noting higher condensed buttermilk sales this week. The trade is hoping for improved demand from ice cream producers. Inventory levels are heavy.

BUTTERMILK: .6400 - .7000 MOSTLY: .6400 - .6600

DRY WHEY - WEST

Prices continue to weaken for Western whey powder. Both large supplies and slow demand are contributing to the problem. Stocks are a concern at many operations. Cheese production is seasonally heavy and also heavy compared to the trend of the past few years. Therefore, there is a lot of raw whey being produced. Marketing options for the whey are not all that good at this time. Most plants continue to see dry whey as one of the better alternatives. Domestic buyers are only placing orders to replace current volumes being used and are not making any additional purchases. Export sales are rated as fair to slow. Economic and political problems are both limiting sales at various times. Most contacts are waiting for the end of the spring flush season to evaluate longer term trends.

NONHYGROSCOPIC: .1600 - .1825 MOSTLY: .1675 - .1725

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended May 14, on powder sales of 13,844,816 pounds f.o.b. California manufacturing plants was \$1.0053 per pound. This compares to 8,845,922 pounds at \$1.0071 for the previous week ending May 7, 1999. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are mixed. There was an adjustment higher at the low end of the high heat range and a decrease on the upper end of the low heat range. The market tone remains weak. Drying schedules range from lighter in the Southeast to steady in the Northeast. Demand for condensed skim is fairly brisk and helping to ease drying schedules. Even at the low end of the range, NDM is often a "tough-sell." Demand for NDM is sluggish. The recent announcement that additional tonnage of dairy products will be made available under DEIP is a help, but most of the NDM sold is expected to come from the Western producers. At the time of this report (5/20) and since last Thursday's (5/13) announcement, over 2,250 MT of NDM bids have been accepted by FAS.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0000 - 1.0400 MOSTLY: 1.0100 - 1.0300

HIGH HEAT: 1.0400 - 1.1100 MOSTLY: 1.0400 - 1.0600

DELVD SOUTHEAST:

ALL HEATS: 1.0300 - 1.1300

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are mostly unchanged, but some increases were noted at the upper end of the Northeast range. The market tone is steady. Production levels are lighter. Churning activity is off slightly because of the improved demand for cream and the seasonal increase in sales of condensed or liquid buttermilk. Buttermilk powder stocks are quite well balanced for the slow to fair demand.

F.O.B. NORTHEAST: .6900 - .7300

DELVD SOUTHEAST: .7100 - .7650

DRY WHOLE MILK - NATIONAL

Prices and the market tone are steady. Production levels are light to moderate. Some producers have switched back to making NDM as a way to more quickly process all their fluid milk. Demand for dry whole milk is fair to good and generally for contract agreements. Spot interest is slow to fair.

F.O.B. PRODUCING PLANT: 1.1300 - 1.3575

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1998 THROUGH MAY 14, 1999
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 84,212 MT (185,653,773 LBS)

WHOLE MILK POWDER -- 5,003 MT* (11,029,613 LBS)

CHEESE -- 3,011 MT (6,638,051 LBS)

BUTTERFAT -- 395 MT (870,817 LBS)

REALLOCATED NDM -- 26,258 MT* (57,888,386 LBS)

Allocations for the DEIP year beginning July 1, 1998, are:

Nonfat dry milk - 100,212 MT**; Whole Milk Powder - 5,003 MT;

Cheese - 3,350 MT; Butterfat - 29,854 MT.

* Program allocations and reallocated volumes have been filled.

** Increased allocation by 20,000 MT for remainder of program year as announced May 13, 1999.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are steady and the market tone is little changed. Drying schedules are still heavy at most Eastern plants as milk supplies are near seasonal peak volumes. Cheese makers are also gearing up for the Memorial Day weekend. Plant stocks are mixed. Grade A producers report being sold out for the next few weeks while Extra Grade plants have product to move. Some continue to discount prices from normal basing points to keep it moving. Export interest is fair and clearing some product. Domestic, spot demand is seldom better than fair.

F.O.B. NORTHEAST: EXTRA GRADE .1550 - .1700

USPH GRADE A .1850 - .1925

DELVD SOUTHEAST: .1700 - .2100

ANIMAL FEED WHEY - NORTHEAST

Prices are still too few to report and the market tone is unchanged. Contacts report little spot activity in the animal feed market. Spot demand is slow, but there have been some inquiries now that prices are perceived to be as low as they may go in this price cycle. Dry whey offerings are more than ample for current needs.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are moderate to heavy depending on individual plant milk supply situations. Demand is mostly for replacement needs. The Kansas City Commodity office announced the issuance of EVD-1, invitations 560, 561, and 562 inviting competitive offers to sell to CCC 1,578,960, 1,468,800, and 1,432,080 pounds, respectively, of evaporated milk. The following are the delivery months for the three invitations: July, August, and September 1999.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets remain weak with prices basically unchanged. Contractual volumes continue to arrive from sourcing countries, although additional volumes continue to be made available to domestic buyers on a spot basis. Casein imports during February totaled 4,107,289 kg. Thus far in 1999, 8,258,590 kg have been imported which are 27% lighter than during the same two months in 1998. Casein buyers feel that imports thus far this year are possibly lower due to the volumes of casein that is readily available on a spot basis which has already arrived in the U.S.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 1.8600 - 1.9500

ACID: 1.8400 - 1.9500

APRIL MILK PRODUCTION

Milk production in the 20 major States during April totaled 12.0 billion pounds, 3.4 percent above production in these same States in April 1998. March revised production, at 12.2 billion pounds was 4.6 percent above March 1998.

Production per cow in the 20 major States averaged 1,553 pounds for April, 52 pounds above April 1998.

The number of cows on farms in the 20 major States was 7.71 million head, down 1,000 head from April 1998 but up 4,000 from March 1999.

APRIL 1999 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	1998	1999	1998	1999	1998	1999	% CHANGE FROM 1998
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	130	132	1,885	2,070	245	273	11.4
CA	1,410	1,456	1,640	1,770	2,312	2,577	11.5
FL	162	160	1,375	1,480	223	237	6.3
ID	288	310	1,620	1,630	467	505	8.1
IL	129	124	1,490	1,430	192	177	-7.8
IN	136	136	1,410	1,340	192	182	-5.2
IA	223	215	1,465	1,500	327	323	-1.2
KY	141	134	1,135	1,090	160	146	-8.8
MI	298	294	1,495	1,540	446	453	1.6
MN	555	545	1,435	1,495	796	815	2.4
MO	173	161	1,305	1,305	226	210	-7.1
NM	216	231	1,720	1,740	372	402	8.1
NY	700	700	1,420	1,450	994	1,015	2.1
OH	265	260	1,470	1,420	390	369	-5.4
PA	624	615	1,530	1,545	955	950	-0.5
TX	359	342	1,490	1,545	535	528	-1.3
VT	162	162	1,405	1,445	228	234	2.6
VA	125	122	1,320	1,305	165	159	-3.6
WA	249	248	1,790	1,865	446	463	3.8
WI	1,368	1,365	1,395	1,435	1,908	1,959	2.7
20 STATE TOTAL	7,713	7,712	1,501	1,553	11,579	11,977	3.4

1/ Includes dry cows. Excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

SOURCE: "Milk Production," Da 1-1 (5-99), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

MARCH FLUID MILK SALES HIGHLIGHTS

During March, sales of fluid milk products in comparable Federal milk order marketing areas and California were 0.1 percent above the previous year and 0.9 percent above February 1999 on an adjusted daily average basis. Sales of whole milk items were 0.9 percent above the previous year; sales of fat-reduced milk items were 0.1 percent below the previous year. Total fluid milk sales were higher in the Southeastern, Midwest and Southwest regions, and lower in the Northeast and Far West regions. It is likely that the timing of the Easter holiday this year has had a negative impact on the change in sales from March 1999 compared to March 1998.

**SUMMARY OF PACKAGED SALES OF WHOLE MILK ITEMS, FAT-REDUCED MILK ITEMS, AND TOTAL FLUID MILK ITEMS IN FEDERAL MILK ORDER
MARKETING AREAS AND CALIFORNIA, GROUPED BY REGION, MARCH 1999 WITH COMPARISONS 1/**

Region 4/	Whole Milk Items 2/				Fat-reduced Milk Items 3/				Total Fluid Items			
	Sales		Change from:		Sales		Change from:		Sales		Change from:	
	Mar	Year to date	Prev. year 5/	Year to date 5/	Mar	Year to date	Prev. year 5/	Year to date 5/	Mar	Year to date	Prev. year 5/	Year to date 5/
	Mil. lbs.		Percent		Mil. lbs.		Percent		Mil. lbs.		Percent	
Northeast	355	1,016	-1.5	-0.5	480	1,371	-0.4	0.3	835	2,386	-1.0	-0.1
Southeastern	358	1,015	3.2	2.6	473	1,354	0.4	-0.5	830	2,369	1.5	0.8
Midwest	270	776	2.6	2.6	954	2,749	0.2	0.7	1,224	3,526	0.4	1.1
Southwest	178	506	2.0	1.8	216	630	1.0	0.9	394	1,137	1.4	1.3
Far West	345	984	-0.6	-0.1	712	2,031	-0.7	-0.5	1,056	3,014	-0.9	-0.4
All Areas Combined	1,505	4,297	0.9	1.1	2,834	8,135	-0.1	0.1	4,340	12,432	0.1	0.5

1/ These figures are representative of the consumption of fluid milk products in comparable Federal milk order marketing areas and California, and represents approximately 89 percent of total fluid milk sales in the U.S. 2/ Whole milk items include plain, flavored, and miscellaneous whole milk products. 3/ Fat-reduced milk items include plain, solids added, flavored, and miscellaneous reduced fat, low fat, and fat-free products, and buttermilk. 4/ For the marketing areas included in each region, see DMN Vol. 66, report #15. Midwest excludes Nebraska-Western Iowa. Far West includes California. 5/ Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition.

**PACKAGED SALES OF INDIVIDUAL WHOLE MILK PRODUCTS AND FAT-REDUCED MILK PRODUCTS IN
ALL MARKETING AREAS DEFINED BY FEDERAL MILK ORDERS AND CALIFORNIA, FEBRUARY 1999,
WITH COMPARISONS 1/**

Product Name	Sales	Change from:	
		Previous Year	Year to Date
	Mil.lbs	Percent	
Whole Milk 2/	1,335	0.7	1.2
Reduced Fat Milk (2%)	1,208	-0.5	0.5
Low Fat Milk (1%) 3/	619	1.5	0.8
Fat-Free Milk (Skim)	643	-2.4	-0.7
Buttermilk	43	-4.1	-3.0
Total Fluid Milk Products 4/	3,860	-0.1	0.7

1/ These sales volumes and percent changes include preliminary data for the New York-New Jersey milk order marketing area and the California State milk order. However, data for the Nebraska-Western Iowa market, which is a non-comparable market, are excluded. Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition.

2/ Includes flavored whole milk. 3/ Includes flavored fat-reduced milk.

4/ Includes miscellaneous products.

FEDERAL MILK ORDER PRICE AND POOL HIGHLIGHTS

FEDERAL MILK ORDER MARKET SUMMARY FOR APRIL 1999. During April, about 7.5 billion pounds of milk were marketed under Federal orders. (Significant volumes of milk that normally would have been pooled under Federal milk orders were not pooled in April 1999 and 1998.) Producer deliveries were about 22.8 percent less than April 1998, and about 23.4 percent less than March 1999 on a daily average basis. Milk utilized in Class I products in March was 3.3 percent more than last year on an adjusted basis. Class I use this year represented 51 percent of producer milk deliveries compared to 38 percent in April 1998. The average blend price was \$12.15 per cwt., \$1.68 less than last year. Changes in class prices from year-earlier levels were as follows: Class I, down \$3.05; Class II, down \$3.05, Class III, down \$0.20; and Class III-A, down \$1.83.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF APRIL 1999										
FEDERAL MILK ORDER MARKETING AREAS 1/	ORDER NO.	RECEIPTS AND UTILIZATION						PRICE AND BUTTERFAT DIFF.		
		RECEIPTS FROM PRODUCERS		RECEIPTS USED IN CLASS I		PERCENT USED IN CLASS I		BLEND PRICE 2/		BUTTER-FAT DIFF. 3/
		1999 TOTAL	CHANGE FROM 1998	1999 TOTAL	CHANGE FROM 1998	1999	1998	1999	1998	1999
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERCENT		DOLLARS		CENTS
New England (Boston)	1	506.9	2.3	228.6	4.3	45	44	12.48	14.68	9.5
New York/New Jersey (NY City)	2	998.3	-3.4	396.3	2.1	40	38	12.50	14.22	9.5
Middle Atlantic (Philadelphia-Baltimore/Washington, D.C.)	4	599.6	5.6	220.7	0.6	37	39	12.04	14.27	---
NORTHEAST REGION		2,104.8	0.3	845.6	2.3	40	39	12.36	14.34	9.5
Carolina (Charlotte)	5	280.7	11.2	214.1	7.7	76	79	12.80	15.74	9.5
Southeast (Atlanta/Birmingham)	7	492.0	-5.7	397.7	2.4	81	74	13.00	15.54	9.5
Florida Markets (Tampa/Jacksonville/Tallahassee/Miami)	12 4/	258.9	-1.1	219.4	2.0	85	82	13.65	16.29	9.5
SOUTHEASTERN REGION		1,031.6	-0.4	831.3	3.6	81	77	13.11	15.78	9.5
Michigan Upper Peninsula (Marquette)	44 5/	4.7	-16.0	4.2	0.5	90	75	11.60	13.93	9.5
Southern Michigan (Detroit)	40 5/ 6/	373.5	4.0	172.2	4.2	46	46	11.55	13.84	---
E. Ohio/W. PA (Cleveland/Pittsburgh)	36	306.2	7.1	157.6	13.5	51	49	11.93	13.77	---
Ohio Valley (Columbus)	33 5/	230.7	-21.1	141.4	6.6	61	45	11.83	14.00	---
Indiana (Indianapolis)	49	175.5	-1.2	103.6	5.2	59	55	11.65	14.30	---
Chicago Regional	30 5/ 6/	471.9	-65.4	225.0	7.8	48	15	11.49	12.71	---
Central Illinois (Peoria)	50 5/	16.8	-1.5	13.5	-0.7	80	79	11.75	14.44	9.5
S. Illinois-E. Missouri (Alton)	32 5/	133.4	-27.7	81.9	-0.9	61	45	11.85	13.95	9.5
Louisville-Lexington-Evansville	46	133.6	5.1	92.2	5.4	69	69	11.98	14.62	9.5
Upper Midwest (Minneapolis)	68 5/ 6/	261.8	-71.7	136.1	2.9	52	14	11.49	12.48	---
Iowa (Des Moines)	79 5/ 6/	155.0	-55.0	88.8	7.5	57	24	11.64	13.00	---
Nebraska/W. Iowa (Omaha/Sioux City)	65 5/ 6/	112.7	-41.7	48.5	-12.3	43	29	11.51	13.27	---
Greater Kansas City/E. S. Dakota	64 5/ 7/ 8/	41.7	-7.6	---	---	---	---	12.00	14.96	9.5
MIDWEST REGION	9/	2,376.0	-44.4	1,265.0	5.2	53	28	11.66	13.15	9.5

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF APRIL 1999										
FEDERAL MILK ORDER MARKETING AREAS <u>1/</u>	ORDER NO.	RECEIPTS AND UTILIZATION						PRICE AND BUTTERFAT DIFF.		
		RECEIPTS FROM PRODUCERS		RECEIPTS USED IN CLASS I		PERCENT USED IN CLASS I		BLEND PRICE <u>2/</u>		BUTTER-FAT DIFF. <u>3/</u>
		1999 TOTAL	CHANGE FROM 1998	1999 TOTAL	CHANGE FROM 1998	1999	1998	1999	1998	1999
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERCENT		DOLLARS		CENTS
Southwest Plains (Oklahoma City)	106 <u>5/</u>	263.8	-3.6	126.7	22.0	48	38	12.39	14.13	9.5
Texas (Dallas)	126 <u>5/</u>	529.5	-11.5	280.9	6.4	53	44	12.33	14.46	9.5
SOUTHWEST REGION		793.3	-9.1	407.6	10.8	51	42	12.35	14.36	9.5
E. Colorado/W. Colorado (Denver)	137 <u>8/</u>	130.7	-4.7	74.0	9.3	57	49	12.31	14.17	9.5
SW. Idaho/E. Oregon (Boise)	135 <u>5/</u> <u>6/</u>	33.7	-75.9	16.5	4.4	49	11	11.60	12.41	---
Great Basin (Salt Lake City)	139 <u>5/</u>	146.6	-16.1	81.6	13.1	56	41	11.76	13.60	---
Central Arizona (Phoenix)	131	256.9	9.0	87.3	5.9	34	35	11.83	13.63	9.5
New Mexico-West Texas (Albuquerque)	138 <u>5/</u>	131.3	-38.5	52.0	-5.5	40	26	12.03	13.24	9.5
Pacific Northwest (Seattle/Portland)	124 <u>5/</u>	509.8	-7.6	177.9	2.7	35	31	11.57	13.39	---
FAR WEST REGION		1,209.0	-16.8	489.2	4.9	40	32	11.78	13.41	9.5
ALL-MKT. AVERAGE OR TOTAL	<u>9/</u> <u>10/</u>	7,514.6	-22.8	3,838.7	4.7	51	38	12.15	13.83	9.5
YEAR-TO-DATE AVG./TOTAL										
Northeast Region		8,111.2	-0.5	3,370.7	-0.4	42	42			
Southeastern Region		4,133.6	-0.9	3,297.7	0.2	80	79			
Midwest Region		14,914.2	-9.2	4,984.7	1.2	33	30			
Southwest Region		3,353.5	3.4	1,594.2	4.1	48	47			
Far West Region		5,684.0	-0.1	1,908.9	1.0	34	33			
ALL MARKET AVERAGE OR TOTAL	<u>10/</u> <u>11/</u>	36,196.5	-3.9	15,156.2	0.9	42	40	15.09	14.17	---

1/ Names in parentheses are principal cities and pricing points of markets. 2/ Prices are for 100 pounds of milk with a butterfat content of 3.5%. 3/ Amount by which the blend price is adjusted for each .1% that the butterfat content of a producer's milk varies from 3.5%. For example, if the butterfat content of the milk that a producer delivers to a regulated handler located in Boston (New England's market) is 4.0%, then the producer's blend price would be \$12.96. (4.0 minus 3.5 equals .5; 5 times \$.095 equals \$0.475; \$12.48 plus \$0.475 equals \$12.955.) 4/ Pool data are either a summation or weighted average of the Tampa Bay, Upper Florida, and Southeastern Florida marketing areas. The blend prices are for the Tampa Bay market. Blend prices for other markets are: Upper Florida: 1999, \$13.66 1998, \$16.65; and Southeastern Florida: 1999, \$14.21; and 1998, \$17.17. 5/ Due to a disadvantageous pricing situation in April 1999, handlers elected not to pool milk that normally would have been associated with the market. 6/ Due to a disadvantageous pricing situation in April 1998, handlers elected not to pool milk that normally would have been associated with the market. 7/ Class I receipt and utilization data for the Greater Kansas City/Eastern South Dakota area are restricted. 8/ Figures represent a combination of data for the indicated markets except for the producer blend prices which are for the first market listed. Blend prices for other markets are: Eastern South Dakota: 1999, \$11.61; 1998, \$13.22 and Western Colorado: 1999, \$12.16; 1998, \$15.07. 9/ The total estimated volume of milk not pooled due to disadvantageous pricing situations was 2.7 billion pounds in April 1999, and 250 million pounds in April 1998. 10/ Data for Greater Kansas City/Eastern South Dakota are excluded; some of the data during this period could not be released without revealing individual business operations. See 7/. 11/ The total estimated volume of milk not pooled due to disadvantageous pricing situations was 3.4 billion pounds this year, and 1.1 billion pounds last year.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF MAY 17 - 21, 1999			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/98	SAME PERIOD LAST YEAR	PERIOD ENDING 05/14/99	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	7,711,132	549,370	7,161,762	93,632,628	81,496,963	-0-	-0-
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	7,711,132	549,370	7,161,762	93,632,628	81,496,963	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF MAY 17 - 21, 1999 =	1.6	83.4	COMPARABLE WEEK IN 1998 =	2.0	103.8
CUMULATIVE SINCE OCTOBER 1, 1998 =	20.6	1,089.9	CUMULATIVE SAME PERIOD LAST YEAR =	17.9	948.6
CUMULATIVE JANUARY 1 - MAY 21, 1999 =	20.6	1,088.7	COMPARABLE CALENDAR YEAR 1998 =	16.2	857.2

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/98 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL									
	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT		
REGION	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98	
MIDWEST	-0-	-0-	-0-	-0-	6,514,242	7,382,984	7.0	9.1	
WEST	-0-	-0-	-0-	-0-	87,118,386	73,915,620	93.0	90.7	
EAST	-0-	-0-	-0-	-0-	-0-	198,359	0.0	0.2	
TOTAL	-0-	-0-	-0-	-0-	93,632,628	81,496,963	100.0	100.0	

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1999

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

DOLLARS PER POUNDBUTTER: Bulk \$.6500; 1# Prints \$.6800CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 05/01/99 & Comparable Week 1998 1/ 2/

	Regions*										U.S. TOTAL	% DAIRY OF ALL
	1	2	3	4	5	6	7	8	9	10		
1999-Dairy cows HD (000)	0.3	0.9	5.1	5.7	17.8	1.6	2.4	1.0	9.7	2.8	47.2	860.1
1998-Dairy cows HD (000)	0.3	1.4	5.2	4.4	18.5	2.5	2.3	0.9	9.3	3.1	47.9	993.2
1999-All cows HD (000)	0.3	1.0	7.0	16.6	24.4	13.4	16.8	4.9	12.3	6.5	103.1	1,945.5
1998-All cows HD (000)	0.3	1.4	7.1	14.5	26.3	15.7	17.1	5.7	12.1	6.5	106.7	2,039.5

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CCC MARKET PRICE PURCHASES 5/20

JULY 1999 - JUNE 2000 DELIVERY

PROCESS	MINIMUM/MAXIMUM
2# PROCESS LOAF	5,306,400/9,979,200
5# PROCESS LOAF	10,177,200/18,572,400
PROCESS SLICED	16,077,600/24,868,800

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, \$/CWT.)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38
1995	11.35	11.79	11.89	11.16	*11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34
1997	11.94	12.46	12.49	11.44	10.70	10.74	10.86	12.07	12.79	12.83	12.96	13.29
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81								